



GRC ADVISORY SERVICES



1. Governance

Quency's will conduct a thorough evaluation of your organisation's governance programme and initiatives (King III), organisational health and culture as well as a review of corporate governance and current initiatives regarding corporate social responsibility and citizenship. Review tactics include employee surveys, document review, research and interviews.

All applicants receive detailed reports on how their current program measures up including suggestions and guidelines for improvement.

❖ *Time to complete: 10 – 15 weeks*

2. Compliance

A. Enterprise Compliance – High Level Risk Assessment

A high level 'non-invasive' risk assessment of client's business to identify major compliance, regulatory and business conduct risks that may be pertinent to client's operations. Quency will construct client's risk profile based on the industry risks as well as the key aspects of client's operational profile and functional exposure. Using its proprietary database, Quency will provide best estimates of severity and likelihood metrics for 15-20 compliance, regulatory and business conduct risks for the client's industry. Quency will also provide basis practical recommendations on some pragmatic steps that can be taken to help mitigate critical risks. In conducting the risk assessment, Quency may request a short interview with client's compliance executive in order to identify certain aspects of client's operational profile, functional exposure and prior incidence or major misconduct and compliance initiatives.

❖ *Time to complete: 2 – 4 weeks*

B. Enterprise Compliance – In-depth Risk Assessment

Enterprise Compliance Risk Assessment) is a full-scale legal compliance and ethics consulting service that provides the following:

- Identification, assessment and prioritization of areas of organization's legal, compliance and ethics risk
- Identification of major causes and key aggravating and mitigating factors impacting those risks
- Evaluation of overall organizational health, the internal culture of compliance and ethics, employee knowledge and employee intent.

- Measurement of actions taken by the organization in response to preventing or detecting misconduct.
- Ability to measure risk on a periodic (e.g.annual) basis to determine variable increase or decrease in risk
- Capability to determine where to invest compliance and ethics budgets for maximum impact and return

Key Outcome: A formal written **Risk Assessment Report** that:

1. Reflects a completed compliance risk assessment that reasonably **meets or exceeds** risk assessment criteria under the definition of an “effective compliance and ethics program”
2. Outlines the company’s current legal compliance and ethics **risk profile** (approx.30 risk areas)
3. Quantifies each identified risk area for **severity** and **likelihood**
4. Prioritizes and ranks risk areas on the basis of **total enterprise impact**
5. Details major causes and key **mitigating** and **aggravating factors** that affected risk areas
6. Provides **year-over year effectiveness measurement** (with the logical exception of the first project year)
7. Introduces risk reducing steps and provides **recommendations** (justified by specific risk assessment findings) for the creation of an enhanced Compliance and/or Enterprise Risk Management Program

This service includes a comprehensive review of internal and external compliance related data, examination of corporate policies, procedures and controls, employee interview and surveys, and rigorous data analysis.

❖ *Time to complete: 20 - 25 weeks*

C. Functional Compliance Diagnostic Surveys

Functional compliance diagnostic evaluations are in depth function specific surveys targeted to middle to senior level functional area managers and seek to dive in-depth on those risk areas specific to functional roles and operations of the client’s organization. Available functions include sales and marketing, finance, procurement, IT, HR, executive management, manufacturing, operations, R &D, logistics, legal etc. Fully customizable questions include those that evaluate the awareness of policies, procedures and controls, the perception of their effectiveness, as well as other questions designed to detect possible misconduct and to assess the compliance environment.

❖ *Time to complete: 10 - 15 weeks*

D. Corporate Compliance Program Design

Based on the risk assessment findings, compliance program benchmarking, corporate culture, organizational priorities, industry trends and peer best practices, Quency will make in-depth recommendations on the development/modification of overall compliance and risk management program. These recommendations will take into account the 'hallmarks' of an effective compliance program as defined by **King III** and the **OCEG Capability Model**. The report will include recommendations on:

1. Compliance program design and implementation
2. The Company's code of conduct
3. Policies, processes and controls (in addition to existing ones) that could be practically implemented for the purpose of preventing and detecting misconduct.
4. Compliance and ethics training and communication, including the types of training and/or communications necessary and target audiences to receive each type, recommended schedule, modality for delivery and the timeline.
5. Monitoring and reporting systems, designed to detect and report misconduct or seek guidance regarding potential or actual misconduct, allowing the anonymity and confidentially mechanisms
6. Consistent enforcement and response, including disciplinary measures and appropriate incentives to perform in accordance with the program.
7. High level oversight, leadership involvement and tone at the top.
8. Evaluation and measurement of effectiveness tools
9. Resources and authority of the Company's compliance function
10. Existing Company's resources that could be effectively leveraged to achieve the above objectives.

❖ *Time to complete: 10 - 15 weeks*

3. Risk Management

Strategic Risk Management

We assist companies in their strategy for managing risks encountered in their business, whether in the area of market risk, credit issues or in their daily operations. We implement risk management strategies for innovative, responsive and accurate.

Our solutions are design to:

- ❖ **Lighting** management and / or stakeholders through an independent risk assessment
- ❖ **Clarify** the duties and responsibilities in the organization
- ❖ **Streamline** and contribute to the successful implementation of structures and procedures
- ❖ **Accelerate** the process of decision making by analyzing risk / return
- ❖ **Optimize** the risk / return and improve shareholder value

Quency brings its expertise in:

- **the experience of the board** , the process of strategic decision making and information needs,
- **operational experience** of creating and increasing value for reporting
- **extensive experience** in the systems of risk management

4. GRC Capability Certification

The highly-regarded GRC Certification is the only independent verification of an organisation's governance, risk management, compliance, and ethics program and practices. The certification is exclusively awarded to organizations that can demonstrably prove the existence of a superior employee and leadership culture that promotes GRC business practices.

A. Certification Options

Design Only

- If the GRC capability has been planned but not yet fully implemented
- All development steps have been undertaken
- All internal deliverables have been prepared

Full Certification

- If the GRC capability has been implemented for at least six months
- This level of certification may be sought after a design certification in which case only the additional review steps must be undertaken
- Requires sampling of implemented policies, activities, controls
- ❖ An organization may seek certification of all or part of the GRC system
 - Review application of GRC Capability Model standards to aspect of the GRC system (e.g. risk assessment, issue intake, or policy management)
 - Review application of GRC Capability Model standards to a particular risk/compliance area (e.g. government contracting, import/export, or vendor management)
 - Review four defined core sections of the standards entity-wide
 - Plan & Organize
 - Risk Management
 - Issue Management
 - Learn & Improve

B. Certification Process

- ❖ Submit an application for the specified scope
 - OCEG & Quency fee per application
 - Varies depending on scope and size of organization
 - Covers draft and final report review, discussion of exceptions noted in report and one additional review of report on any changes required to program, issuance of certification

- Identify external reviewer (an OCEG member organization) in application (fees for review to be paid directly to review firm by the company based upon negotiated contract terms) with certified or chartered accountant to sign report
 - Establish planned schedule for submission of review report
- ❖ Reviewing firm prepares engagement for project and includes OCEG as party to receive report
 - ❖ Design certification may be relied upon and made public for no more than 12 months, at which time the company must have either completed the remaining steps for a full certification or have entered into a schedule agreement with OCEG indicating completion within no more than an additional 12 months
 - An application must be filed for the completion phase, with a separate fee
 - The Company is not required to use the same review firm for the second phase of the review
 - There should be no exceptions on the operational review (but tolerances are established)
 - ❖ Full certifications are dated and when referenced must include the date of issuance
 - ❖ OCEG will issue a certification logo with a detailed letter explaining the scope of the certification and statements that may be made about it.
 - ❖ Re-certification is not required by OCEG (date will age the certification and reduce its reliability) but may be renewed on any schedule the company desires
 - ❖ Re-certifications may require review of decisions about maintaining or changing design that have occurred during term of certificate

